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**Organizational Identity Orientation and the Adoption of  
Corporate Social Responsibility: Symbolic, Selective, or  
Substantial?**

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Responsibility: Symbolic, Selective, or Substantial?**

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**ABSTRACT**

We develop a model that explains variation in adoption patterns of Corporate Social Responsibility (CSR)-related business practices in cases after multinational corporations (MNCs) have acquired social enterprises. Existing approaches that seek to explain these differences remain theoretically underdeveloped due to lacking emphasis on intra-organizational dynamics happening after an acquisition. We address this gap by arguing that different organizational identity orientations of the acquiring and acquired organization are critical factors that explain how MNCs interpret and build different preferences about organizational practices they decide to either adopt to varying degrees, that is, *substantially*, *selectively*, or *symbolically*. We develop a conceptual model that explains differences in organizational implementation of CSR.

**KEYWORDS**

Adoption; corporate social responsibility (CSR); decoupling; organizational identity orientation; social enterprise

## **Organizational Identity Orientation and the Adoption of Corporate Social Responsibility: Symbolic, Selective, or Substantial?**

Multinational corporations (MNCs) are increasingly urged from various actors in society to integrate socially and environmentally responsible<sup>1</sup> practices into core business operations. As a response to these field-level pressures and in efforts to realize market opportunities, a growing number of MNCs have been acquiring for-profit social enterprises (Austin & Leonard, 2008). Social enterprises are distinct from ‘conventional’ enterprises in that “they are orthodox businesses with social objectives whose surpluses are (...) reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners” (Harding, 2004, p. 41; Dacin et al., 2010; Ridley Duff, 2007; Thompson & Doherty, 2006). Examples of this trend are acquisitions such as Ben & Jerry’s by Unilever, The Body Shop by L’Oreal, Stonyfield Farm by Danone or Tom’s of Maine by Colgate (Austin & Leonard, 2008; Mirvis, 2008; Nazarkina, 2012). Apart from strategic or financial motives, such acquisitions, or the ‘buying’ and subsequent adoption of socially responsible business practices of social enterprises are increasingly considered a viable and possibly less costly alternative to ‘making’ Corporate Social Responsibility (CSR). Thus, MNCs may acquire specialised knowledge and innovative capabilities from the social enterprise how to develop and implement CSR-related practices (Waddock & Graves, 2006).

Yet, current theoretical accounts of practice adoption have only given scant attention to this strategy we refer to as ‘buying CSR’. Existing studies mainly focus on the processes occurring within social enterprises once acquired by MNCs and are helpful to better understand the ontological and cultural nature of social enterprises as well as the reasons that

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<sup>1</sup> Note that in this paper, we will only use the term ‘social’ to denote both social *and* environmental responsibility.

might have motivated the founders to actually sell their businesses (e.g. Austin & Leonard, 2008; Nazarkina, 2012). Though, current literature struggles to explain why different MNCs have adopted CSR-related practices from acquired social enterprise to varying degrees (see Austin & Leonard, 2008; Mirvis, 2008). For instance, L'Oreal's acquisition of The Body Shop can be described as symbolic action since the company did not adopt any practices from the social enterprise into their own core operations, but still emphasized its supposedly improved socially responsible image after the acquisition (Balmer et al., 2007; Fukagawa et al., 2007). Danone, in contrast, engaged in substantial learning with Stonyfield about how to make its operations more socially responsible (Austin & Leonard, 2008), while Mirvis (2008) reports that Unilever began paying attention to what Ben & Jerry's had to say about social responsibility in cases where doing so made business sense to them. Based on this evidence, we propose three different 'ideal' patterns of practice adoption: MNCs may *substantially*, *selectively*, or *symbolically* adopt CSR-related practices from an acquired social enterprise (see Christmann & Taylor, 2006; Kostova & Roth, 2002).

In the literature, theoretical explanations that address variation in practice adoption at the organizational level remain incomplete. Researchers have identified structural variables such as organization size or resources as antecedents of practice adoption (for an overview, see Edmondson et al., 2001), or focused on dynamics at the field-level of analysis (see Battilana & Dorado, 2010; Greenwood et al., 2011), for instance considering late vs. early adoption (Kennedy & Fiss, 2009; Westphal et al., 1997). However, *intra*-organizational processes have received only scarce attention, despite their potential relevance to predict variety in behavioural outcomes (Greenwood et al., 2011; Pache & Santos, 2010). There is little knowledge about the processes that unfold *after* the acquisition of a social enterprise by a MNC that is attempting to conform to societal demands of increasing their CSR engagement (see Ansari et al., 2010). Indeed, traditional rational choice and self-interest based theories are

inadequate descriptive and predictive tools (see Campbell, 2007; Kennedy & Fiss, 2009). In particular, little is known about the potentially different relational or ideological factors residing at the organizational level and that evoke and would thus allow predicting variation in practice adoption (Basu & Palazzo, 2008; Greenwood et al., 2011). Addressing these voids, we show that differences in the *organizational identity orientations* – describing ‘the nature of assumed relations between an organization and its internal and external stakeholders’ (Brickson, 2005, p. 577) - that dominate in the acquiring MNC and the acquired social enterprise, are antecedents that explain different practice adoption patterns. The phenomenon of buying CSR and the possibility to contextualize both different and partially overlapping organizational identity orientations in MNCs and social enterprises offers a rich empirical context for building theory and stimulate future empirical research.

We conceptualize three ideal types of organizational identity orientation, namely individualistic, relational and collectivistic (Brickson, 2005) as independent variables that allow predicting how MNCs interpret the nature of the social enterprise’s practices along three moderating ‘filters’ - *meaningful*, *valuable*, and *appropriate* (Greenwood et al., 2011; Kostova & Roth, 2002; Scott, 2008). To make an analytical distinction between each of the three organizational identity orientations we borrow the term “ideological distance” from political science (see Sullivan & Minns, 1976) to describe differences in the interpretation process of these moderating filters that determine to what extent MNCs will most likely adopt CSR-related practices from a social enterprise. Evidence suggests that the organizational identity orientation of social enterprises is most likely relational or collectivistic (Fauchart & Gruber, 2011; Thompson & Doherty, 2006), while that of MNCs is either individualistic or relational (Brickson, 2005; Freeman et al., 2004). Based on this distinction, we develop a two-by-two matrix that depicts which constellation most likely leads to substantial, selective, or symbolic adoption of practices.

This paper stands to make several contributions. *First*, we expand theoretical accounts of variation in practice adoption (Ansari et al., 2010; Bansal & Roth, 2000; Lounsbury, 2001; Lounsbury, 2007; Kostova & Roth, 2002; Pratt & Foremann, 2000). Our model conceptualizes organizational identity orientation as a central source of variation in practice adoption and thus a factor to predict what MNCs most likely consider as meaningful, valuable, and appropriate CSR-related practices, and how they will respond in terms of adoption patterns. *Second*, in engaging with a central debate in institutional theory, our model offers a novel perspective on the antecedents of decoupling (i.e. symbolic adoption) (Christmann & Taylor, 2006; Haack et al., 2012; Tilcsik, 2010; Westphal & Zajac, 2001). We add a third intermediate dimension, selective adoption, to enrich the dichotomy of decoupling vs. substantial adoption that currently prevails in the literature (see Boxenbaum & Jonsson, 2008). *Third*, in addressing recent research on CSR implementation (Lindgreen et al., 2009; Wickert et al., 2012), we shed light on the antecedents that explain differences in actual implementation of CSR-related practices in organizations following the strategic option of ‘buying CSR’ (Basu & Palazzo, 2008).

We organize this paper as follows: We outline the theoretical tenets of organizational identity orientation and illustrate how this corresponds to MNCs and social enterprises. Subsequently, we conceptualize a model of organizational identity orientations to explain three different scenarios of practice adoption. Finally, we discuss our contributions to the literature and outline limitations as well as future research avenues building on our approach.

### **Organizational Identity Orientation**

Organizational identity, as property of a collective, answers the question of “who we are as an organization?” (Albert & Whetten, 1985; see Brickson, 2007, p. 866) and is composed of an organization’s members’ shared perceptions about the ontological nature of

their organization (Brickson, 2007; Dutton & Dukerich, 1991; Pratt & Foreman, 2000). It is characterized by those attributes that members perceive as fundamental to (i.e. central) and uniquely descriptive (i.e. distinctive) of the organization and that persist within the organization over time (i.e. enduring) (Albert & Whetten, 1985). Organizational identities for instance are reflected in policies, rules, and procedures and are based on shared interests, mutual goals, concerns or agendas (Pratt & Foreman, 2000). Thus, identity is inextricably linked to the nature of organizational practices and the way things are done in an organization, as actors need a 'shared perception of who they are in order to know with whom and how to interact' (Brickson, 2007, p. 866). Accordingly, identity can be seen as the organizational-level counterpart to field-level institutional logic that governs organizational behaviour (Glynn, 2008; Greenwood et al., 2011; Lok, 2010).

Building on these tenets, organizational identity *orientation* has been introduced to describe the nature of relations between an organization and its stakeholders as perceived by the organization's members (Brewer & Gardner, 1996; Brickson, 2005; Brickson, 2007). The three types of organizational identity orientation – individualistic, relational, and collectivistic - imply distinct cognitive and motivational differences and therefore allow constructing distinct theoretical categories that predict how organizations interpret and build preferences about the nature and social meaning of a practice, and accept or approve it (Brewer & Gardner, 1996; Kostova & Roth, 2002). Drawing on institutional approaches, we refer to practice as 'an organization's routine use of knowledge for conducting a particular function that has evolved over time under the influence of the organization's history, people, interests, and actions' (Kostova & Roth, 2002, p. 216). To develop our model, we derive from neoinstitutional analysis that cognitive, normative and regulative forces interdependently shape how practices emerge and to what extent they are adopted by organizations (Kostova & Roth, 2002; Pache & Santos, 2010; Scott, 2008). Organizational identity orientation is a key



variable that guides the interpretation and preference building process along these three forces: What organizations consider as *meaningful* (the cognitive nature of a practice – “do I understand this practice?”), *valuable* (the normative foundation or ‘end’ of a practice – “Is this a ‘good’ practice?”), and *appropriate* (the ‘means’ and underlying rules and processes of a practice – “Does it help me to adopt this practice?”). Considering these moderating factors of organizational identity orientation helps us to better understand how adopting organizations strive for creating a “cultural fit” between an external practice and their particular needs (Ansari et al., 2010; Oliver, 1992).

In the past, a dichotomic perspective on organizational identity orientation prevailed, where organizations viewed themselves either as independent (individualistic) or interdependent (collectivistic) actors (e.g. Markus & Kitayama, 1991; Triandis, 1989). More recent empirical research on identity orientations of for-profit organizations suggests, however, that the interdependent perspective can be further divided into relational and collectivistic forms of interdependence (Brewer & Gardner, 1996; Brickson, 2005). Accordingly, there are three, instead of two, loci of organizational self-determination: self as individual (*individualistic* identity orientation), self as dyadic relationship partner (*relational* identity orientation), and self as group member (*collectivistic* identity orientation). Each of these three distinct orientations is determined by a set of structural variables such as industry or cooperative structure and has specific implications regarding the way they support and motivate differing choices and behaviours of organizations (Brickson, 2005; 2007).

The first organizational identity orientation, *individualistic*, emphasises a strong motivation to promote the organizations’ own welfare, i.e. to maximize profits or gain market share, for instance by means of increasing technical efficiency. It assumes an organizational self-conception as a sole entity, which is atomized and distinct from others, for instance being ‘the top performer in the industry’ (Brickson, 2005, p. 577). Individualistic organizations tend

to forge relationships based on instrumentality and seek relationships with others to the extent that they enhance the organization's own goals (Brickson, 2007). Regarding the two types of organizations, which are at focus in this paper, MNCs and social enterprises, we assume that for-profit social enterprises are by definition not dominated by an individualistic orientation. Their *raison d'être* is not to maximize individual welfare, but to benefit some other party or cause (Fauchart & Gruber, 2011; Nazarkina, 2012). In contrast, large and financially powerful business organizations, i.e. attributes that hold for a large number of MNCs, tend to be dominated by an individualistic identity orientation (Brickson, 2005). Thus, we assume that individualistic MNCs more likely consider an acquisition of a social enterprise as a potential means that contributes to maximizing their profitability or CSR performance, while simultaneously signalling conformity to societal pressures to become more socially responsible (Bansal & Roth, 2000; Basu & Palazzo, 2008; Campbell, 2007). Evidence based on the "CSR credentials" suggests that the acquirer of The Body Shop, L'Oreal, as well as the acquirer of Tom's of Maine, Colgate-Palmolive, exemplify individualistic MNCs (Mirvis, 2008, p. 113; Waddock, 2008).

The second organizational identity orientation, *relational*, emphasises the well-being of internal or external stakeholders, for instance employees or local communities, and includes a strong motivation to establish meaningful relationships with these stakeholders for its own sake (Brickson, 2005). It corresponds with a self-conception of the organization as a dyadic inter-entity relationship partner possessing particularized trust-based bonds with specific stakeholders, for instance 'accommodating and loyal to partners' (Brickson, 2005, p. 577). As opposed to the individualistic identity orientation, which tends to view relationships as a means to its own self-defined ends, relational organizations view relationships largely as an end in themselves. Their self-view as interconnected to stakeholders produces a genuine desire to understand and benefit particular individual stakeholders or groups of stakeholders.

Evidence suggests that the relational orientation can both characterize MNCs and social enterprises (Brickson, 2005; Brickson, 2007; Thompson & Doherty, 2006). Studies indicate that an increasing number of MNCs consider relational objectives as a fundamental driver of their behaviour (Bansal & Roth, 2000; Freeman et al., 2004). For instance, as part of their maturing CSR strategy, many MNCs have begun putting particular attention to the needs of their stakeholders, such as employee wellbeing or promoting the welfare of local communities (Basu & Palazzo, 2008). Freeman et al. (2004, p. 364) suggest that while these MNCs such as Google or Lincoln Electric 'value their shareholders and profitability, none of them make profitability the fundamental driver of what they do'. Also, MNCs such as Danone or Unilever may move from a less 'advanced' stance on their social responsibilities (reflecting a strong individualistic orientation) towards a more stakeholder-oriented orientation (Austin & Leonard, 2008; Mirvis, 2008; Waddock, 2008). Scholars from institutional theory (Meyer & Rowan, 1977; DiMaggio & Powell, 1983) have underscored such shifts in the dominant identity orientation of organizations in claiming that an organization's location in an unstable and changing environment constrains its structure and behaviour (Brickson, 2005).

The relational identity orientation also characterizes a significant proportion of for-profit social enterprises (Brickson, 2007; Thompson & Doherty, 2006). By definition, the explicit goal of a relational social enterprise is to address social problems of particular underprivileged or disadvantaged stakeholders (Austin & Leonard, 2008). Thus, the establishment of intense and lasting relationships to these stakeholders is a central organizational objective. For example, Tom's of Maine and Stonyfield Farm, two US-based social enterprises, has adopted several procedures to address the needs of stakeholders with whom the company has direct business relationships, for instance by paying higher-than-average wages to employees (Austin & Leonard, 2008; Veleva, 2003). Moreover, Stonyfield Farm pays a price-premium to its local farmers, not only to allow them producing organic

dairy products, but also to distribute earnings more equally among stakeholders (Mirvis, 2008; Thompson & Doherty, 2006).

The third organizational identity orientation, *collectivistic*, emphasises the protection and promotion of overall societal welfare and a strong motivation to contribute to the wider community (Brickson, 2005). The organizational self-conception is that of a member of a larger group (i.e. society, the natural environment) with ties to all other stakeholders in that group. This type of organization is focused on protecting and fostering broader societal welfare without targeting a particular community, for instance by 'promoting the ecological sustainability of the earth' (Brickson, 2005, p. 577). Collectivistic organizations tend to forge external and internal stakeholder relationships that are based on a common purpose, but like individualistic organizations view relationships as a means to an end. However, the commonly held agenda is focused on the well-being of a larger whole and thus in significant opposition to the self-interested objectives of individualistic organizations (Brickson, 2007).

Even though some MNCs might show specific elements that reflect a collectivistic orientation, we assume it very unlikely that this orientation dominates MNCs (see Brickson, 2005). In contrast, evidence suggests that the collectivistic organizational identity orientation is strongly reflected in a significant portion of social enterprises (Nazarkina, 2012; Thompson & Doherty, 2006). Both The Body Shop and ice-cream manufacturer Ben & Jerry's profoundly exemplify a collectivistic social enterprise (Austin & Leonard, 2008). For instance, Ben & Jerry's mission statement highlights their objective to work for the betterment of society in general: 'To operate the Company in a way that actively recognizes the central role that business plays in society by initiating innovative ways to improve the quality of life locally, nationally, and internationally' ([www.benjerry.com](http://www.benjerry.com)). Moreover, Ben & Jerry's regularly supports wider societal concerns and joins campaigns of other only indirectly related stakeholders that have a common cause (Mirvis, 2008).

As suggested by Brewer & Gardner (1996), we assume that each organization has *one* dominant identity orientation: MNCs are most likely either individualistic or relational; and social enterprises are most likely either relational or collectivistic (for a related argument on dominant motivations, see Bansal & Roth, 2000). With the term *dominated*, we mean that for instance individualistic motives are most salient in the locus of self-definition of a particular organization (Brickson, 2007). While motives reflecting the other two orientations may also be present, they are significantly underemphasized by that organization. Thus, since we assume for each situation which organizational identity orientations dominates in a particular organization we can conceptualize a predictive variable that classifies what type of practice an organization will most likely consider as meaningful, appropriate, and valuable. Whenever these preferences and interpretations do not correspond, the expectations about what represents adequate behaviour might not be met, and an organization will less likely adopt a practice (Flynn, 2005). Thus, 'identity (orientation)-based conflicts reflect one actor's concerns that the other's motives are incompatible with his or her own' (Flynn, 2005, p. 743).

Based on the ontological nature of the three basic identity orientations that we have illustrated above, we assume that the ideological distance between an individualistic and relational (potential MNC orientations), and relational and collectivistic (potential social enterprise orientations), respectively, is closer than that of an individualistic and collectivistic orientation (Brickson, 2005; 2007). For instance, an organization dominated by the individualistic orientation would build their preferences and interpret in a significantly different way what is considered a meaningful, valuable, and appropriate practice than a collectivistic organization would do. We assume that the relational identity orientation represents, compared to the collective one, a 'narrower' perspective on what is socially desirable, as it is determined by a smaller set of stakeholders. The motivation of relational organizations is thus not building a holistic vision of a better world, but just pragmatic

stakeholder management and addressing specific needs. The collectivistic identity orientation thus represents a ‘broader’ perspective on what is socially desirable, determined by the perception of society as a whole.

### **Organizational identity orientation as a predictor of practice adoption**

Based on the assumptions illustrated above, we develop a theoretical model that offers an instrument to predicting why MNCs likely show a specific adoption pattern of CSR-related practices after having acquired a social enterprise. We depict four possible idealized scenarios of practice adoption.

1. *An individualistic MNC acquires a relational social enterprise*
2. *An individualistic MNC acquires a collectivistic social enterprise*
3. *A relational MNC acquires a relational social enterprise*
4. *A relational MNC acquires a collectivistic social enterprise*

Before developing these four scenarios, we summarize that each of the identity orientations implies a particular set of practices, values and objectives that organizations prefer and strive to be applied in their operations and business conduct (Glynn, 2000). A strong *individualistic* identity orientation emphasizes the importance of performance criteria and efficiency requirements, and would imply considering the adoption of socially responsible practices as a means to reach instrumental objectives. In contrast, a strong *relational* identity orientation emphasizes the importance of meaningful stakeholder relationships, and would thus imply giving explicit attention to expectations and needs of particular stakeholders as an end in itself. Finally, a strong *collectivistic* identity orientation

emphasizes the importance of intrinsic values and principles, such as giving explicit attention to socially responsible business conduct for its own sake.

After an acquisition and when considering to adopt a certain practice, for instance a stakeholder management scheme or an environmental policy of the social enterprise the acquiring organization observes how the acquired organization's practices, and their underlying values and objectives 'match' with those prevailing in their organization. In other words, it is determined in which way the values and views about the meaningful, valuable, and appropriate way to organize work are similar or different to each other (Glynn, 2000; Pache & Santos, 2010; Tilcsik, 2010). Preferences for an adoption scenario thus depend on the degree of alignment and fit with the MNC's existing portfolio of CSR-related practices (Austin & Leonard, 2008). For instance, if a MNC dominated by the individualistic orientation acquires a social enterprise dominated by the collectivistic orientation, the MNC will most likely experience very little complementarity between their own prevailing practices and the practices from the social enterprise. Most likely there is very little or no overlap of what is perceived as a meaningful, valuable, and appropriate practice, as there is a high ideological distance between the two orientations. While the MNC would most likely consider individual welfare maximizing practices as the most valuable end, and corresponding incentive schemes as an appropriate means to reach this end, the social enterprise would most likely consider the opposite, societal welfare maximizing practices, as most valuable. In sharp contrast, a MNC dominated by the relational orientation that acquires a social enterprise also dominated by the relational orientation will most likely face much more common ground when considering to adopt certain practices that correspondingly follow relational goals.

Figure 1 provides a schematic illustration of the interplay between organizational identity orientation as an antecedent that interacts with specific interpretative that support and motivate differing choices and behaviours and ultimately leads to four different ideal type

practice adoption scenarios. In the following, we illustrate the possible adoption scenarios of substantial, selective, and symbolic adoption in detail.

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INSERT FIGURE 1 ABOUT HERE  
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### **Explaining the match of organizational identity orientations**

Empirical evidence indicates that MNCs adopt CSR-related practices from acquired social enterprises to varying degrees. In the explanatory model, we classify these adoption scenarios into three ideal type categories, namely *symbolic adoption*, *selective adoption*, and *substantial adoption* (note that the selective adoption scenario occurs in two related cases). In a nutshell, by substantial adoption we refer to adoption of socially responsible practices across the entire span of an organization's structure and CSR-related business processes, such as procurement, production, sales or supply chain management. Selective adoption however then only implies partial adoption in some CSR-related business processes, for instance only in the MNCs supply chain management, but not in its production processes, or only in some areas of the production process but not in others. In contrast, by symbolic adoption we refer to situations where an MNC pretends to have adopted CSR-related practices from the social enterprise, but in reality did not, aiming to signal compliance toward societal pressures while hiding nonconformity (Boxenbaum & Jonsson, 2008; Oliver, 1991).

Considering the match between the dominant identity orientation of the MNC and the social enterprise, respectively, then provides a theoretical explanation for a specific practice adoption scenario. Figure 2 (see below) offers an upfront illustration.



	SE – Relational	SE - Collectivistic
<b>MNC - Individu alistic</b>	<i>Selective Adoption</i>	<i>Symbolic Adoption</i>
<b>MNC - Relational</b>	<i>Substantial Adoption</i>	<i>Selective Adoption</i>

Figure 2: Identity orientations and four ideal scenarios of practice adoption

### *Substantial Adoption*

In this scenario, a MNC dominated by the relational identity orientation acquired a social enterprise that is as well dominated by the relational identity orientation. According to our model, it is most likely that substantial adoption of practices will result. This can be explained by high level of commonality between the dominant identity orientations of the two organizations, and a low ideological distance. The MNC will most likely consider the practices of the social enterprise as an adequate way of doing business and engage in comprehensively adopting and implementing a substantial amount of socially responsible business practices, processes or management schemes from the acquired unit to their own operations. Our arguments are reflected in the interpretative filters as follows:

- Practices are most likely considered meaningful, because the MNC understands the acquisition, or ‘buying’ of CSR as an opportunity to learn from the social enterprise and improve their own profile as a socially responsible company, in particular in terms of establishing meaningful management of stakeholder relations and to understand what constitutes socially responsible business conduct in a substantial way. The ideological distance between the two organizations in terms of understanding the meaning of a

practice is low. A relational MNC is most likely already acquainted with relational practices or at least has made CSR-related commitments of relational nature. Thus, it would more likely recognize the meaningfulness of new practices of the relational social enterprise.

- Practices are most likely considered valuable, because the acquiring MNC emphasizes the embedded value and purpose of socially responsible practices and gives substantive attention to requirements of their stakeholders as an end in itself, and not necessarily only as a possible means to reach other instrumental objectives. The ideological distance between the two organizations in terms of what is considered a good and valuable practice is low.
- Practices are most likely considered appropriate, because the relational processes of the social enterprise that are aimed to fulfilling their relational values and objectives are also a suitable means to reaching the MNC's own relational values and objectives. The ideological distance between the two organizations in terms of which kind of practices contributes to each organization's goals is low.

The case of the acquisition of the social enterprise Stonyfield by Danone provides tentative evidence of this scenario. Mirvis (2008, p. 112) has coined this an 'additive acquisition, where teams from the two companies worked together to combine the "best of both" in areas of sourcing and product development'. For instance, Stonyfield was able to convince Danone to address needs of local stakeholders around one of their production plants in installing pollution preventing production techniques, even though they were more costly (Austin & Leonard, 2008). In many cases, Stonyfield's innovations have been disseminated into Danone, and the company has adopted a substantial amount of the socially responsible practices of the acquired social enterprise. For instance, Danone adopted the procedures how Stonyfield managed its supplier and local community relations, in order to enhance their own

CSR-agenda (Mirvis, 2008). As Austin and Leonard (2008, p. 92) report, Danone and Stonyfield "...shared the same vision...and that's the reason why it's working". Restated as a proposition, it follows that:

*Proposition 1: If a MNC acquires a social enterprise and both have a relational identity orientation, low ideological distance and agreement about the meaningfulness, value, and appropriateness of the social enterprise's socially responsible practices lead to substantial adoption by the MNC.*

### *Selective adoption*

In this scenario, a MNC dominated by the individualistic identity orientation acquired a social enterprise dominated by the relational identity orientation, *or* a MNC dominated by the relational identity orientation acquired a social enterprise dominated by the collectivistic identity orientation. Below, we will argue why, according to our model, it is most likely that both of these constellations lead to selective adoption of practices, while we emphasize respective differences between each of these two cases. Selective adoption can be explained by moderate level of commonality between the dominant identity orientations of the two organizations, and a moderate ideological distance. The MNC will most likely consider the practices of the social enterprise only as a partially adequate way of doing business and engage in selectively adopting and implementing some socially responsible business practices, processes or management schemes from the acquired unit to their own operations.

In the first case, a MNC dominated by the individualistic identity orientation acquired a social enterprise dominated by the relational identity orientation. We have argued that individualistic MNCs most likely emphasize the strategic value of CSR and instrumentalize social responsibility to increase their overall competitiveness. Relational social enterprises in contrast are characterized by strong ties to particular stakeholders and seek to solve specific

social needs of these stakeholders. Following the acquisition, the MNC would tend to consider exactly those socially responsible business practices as adequate to adopt that do not compromise their own instrumental objectives. For instance, while a relational social enterprise is intrinsically motivated to have strong stakeholder relations to address their particular needs, the individualistic MNC would treat these relations as instrumental in better reaching self-interested goals (Jones, 1995).

CSR scholars have labelled this compromise between individualistic and relational objectives the so-called ‘win-win’ logic of shared value (Porter & Kramer, 2011; for a critical review, see Margolis & Walsh, 2003). Following this logic, increasing the scope of socially responsible business practices by giving more explicit attention to stakeholders’ needs does not compromise the overarching profit-maximization objective, but may even enhance it (Orlitzky, 2008). At the same time, these practices neither compromise giving explicit attention to relational objectives by addressing stakeholders’ needs. CSR-related practices that such as making community investments, or promoting employee health and safety at the workplace, are considered to benefit particular stakeholders, while contributing to increase overall profitability. Porter and Kramer (2006) for instance highlighted the strategic value of philanthropy, while other studies continue to emphasize the ‘business case for CSR’ (Devinney, 2009). Overall, this instrumental perspective on CSR continues to dominate the field (Gond et al., 2009).

However, whether CSR and financial performance actually correlate positively, neutrally or even negatively remains contested (Orlitzky, 2008; McWilliams & Siegel, 2000), and has been heavily criticized for its normative fallacies (Margolis & Walsh, 2003; Scherer & Palazzo, 2007). More critical literature on CSR provides evidence where a win-win logic cannot be established and where it is thus not possible to align individualistic motives with relational ones, in other words benefit particular stakeholders while increasing

competitiveness (e.g. Banerjee, 2007; Scherer & Palazzo, 2007). Scholars have argued that it is however sufficient if actors *think* that adopting more socially responsible business practices may pay off in the long run, even though this may not be supported with empirical evidence (Gond & Palazzo, 2010).

Accordingly, the individualistic MNC that decides which practices to adopt or not, would therefore most likely adopt those socially responsible practices where it is believed in the existence of a win-win scenario. For instance, this applies if the MNC considers the way the social enterprise is ensuring employee welfare as a useful practice that may, if adopted, also enhance the overall productivity of their own employees. In contrast, where the MNC is *not* convinced that a win-win scenario exists, it will choose not to adopt. For example, it might consider the social enterprise's practice to donate an overly generous proportion of its profits to local community projects as a waste of money. Our arguments are reflected in the interpretative filters as follows:

- Practices are only considered meaningful, if they are properly understood and considered as a win-win scenario. This however only applies to some socially responsible practices and thus they will only be selectively adopted. The ideological distance between the two organizations in terms of understanding the meaning of a practice is moderate. An individualistic MNC is most likely already only partially acquainted with relational practices. Thus, it would most likely to some extent recognize the meaningfulness of new practices of the relational social enterprise.
- Practices are only considered valuable, if the MNC considers the embedded value and purpose of relational socially responsible practices as not compromising the value and purpose of their own individualistic practices. This however only applies to some socially responsible practices and thus they will only be selectively adopted. The ideological

distance between the two organizations in terms of what is considered a good and valuable practice is moderate.

- Practices are only considered appropriate, if the relational processes of the social enterprise that are aimed to fulfilling its relational values and objectives are compatible in reaching the MNC's own individualistic values and objectives. This however only applies to some socially responsible practices and thus they will only be selectively adopted. The ideological distance between the two organizations in terms of which kind of practices contributes to each organization's goals is moderate.

Restated as a proposition, it follows that:

*Proposition 2: If a MNC dominated by the individualistic identity orientation acquires a social enterprise dominated by the relational identity orientation, moderate ideological distance and partial agreement about the meaningfulness, value, and appropriateness of the social enterprise's socially responsible practices lead to selective adoption by the MNC.*

In the second case, a MNC dominated by the relational identity orientation acquired a social enterprise dominated by the collectivistic identity orientation. We have argued that relational MNCs are characterized by an already more advanced stance on CSR and their social responsibilities and most likely emphasize the intrinsic value of comprehensively engaging with their stakeholders. Collectivistic social enterprises in contrast are characterized by their objective to benefit the larger whole, such as ecological welfare, and, as we have argued, an even broader conception of social responsibility as relational organizations. Following the acquisition, the MNC would likely consider exactly those socially responsible business practices as adequate to adopt that do not compromise their own relational objectives. For instance, collectivistic social enterprise would likely see itself promoting a

holistic vision of a better world, rather than just addressing limited and particular needs of specific stakeholders. In contrast, a relational MNC would already consider giving meaningful attention to stakeholders as a sufficient but also core part of its approach to CSR. The MNC would most likely find a collectivistic scope of responsibility of the social enterprise as too broad and therefore only partially adequate in contributing to their relational objectives.

We propose that in this scenario there is also only a partial overlap of interests and thus adoption of socially oriented practices. Practices from the social enterprise that are too broad in that it is difficult to establish clear benefits to particular stakeholders and to integrate them into the MNCs stakeholder management will most likely not be adopted. Benefitting the ecological welfare of the earth in all processes and products might be an objective of a collectivistic social enterprise, but even a relational MNC might not adopt those practices to all of their operations and thereby also become completely oriented to welfare. However, environmentally friendly practices that have been developed by the social enterprise may help mitigating climate change, but can also be instrumental in addressing particular needs of stakeholders such as conscious consumers or environmental NGOs that have criticized the MNC. Our arguments are reflected in the interpretative filters as follows:

- Practices are only considered meaningful, if properly understood and considered as beneficial for the MNCs own stakeholders, rather than the overall society. This however only applies to some socially responsible practices and thus they will only be selectively adopted. The ideological distance between the two organizations in terms of understanding the meaning of a practice is low. A relational MNC is most likely only partially acquainted with collectivistic practices and thus would most likely to some extent recognize the meaningfulness of new practices of the collectivistic social enterprise.

- Practices are only considered valuable, if the MNC considers the embedded value and purpose of collectivistic socially responsible practices as not compromising the value and purpose of their own relational practices. This however only applies to some socially responsible practices and thus they will only be selectively adopted. The ideological distance between the two organizations in terms of what is considered a good and valuable practice is moderate.
- Practices are only considered appropriate, if the collectivistic processes of the social enterprise that are aimed to fulfilling its collectivistic values and objectives are compatible in reaching the MNC's own relational values and objectives. This however only applies to some socially responsible practices and thus they will only be selectively adopted. The ideological distance between the two organizations in terms of which kind of practices contributes to each organization's goals is moderate.

Restated as a proposition, it follows that:

*Proposition 3: If a MNC dominated by the relational identity orientation acquires a social enterprise dominated by the collectivistic identity orientation, moderate ideological distance and partial agreement about the meaningfulness, value, and appropriateness of the social enterprise's socially responsible practices lead to selective adoption by the MNC.*

### *Symbolic adoption*

In this scenario, a MNC dominated by the individualistic identity orientation acquired a social enterprise dominated by the collectivistic identity orientation. According to our model, it is most likely that symbolic adoption of practices will result. This can be explained by low level of commonality between the dominant identity orientations of the two organizations and a high ideological distance. The MNC will most likely consider the



practices of the social enterprise as an inadequate way of doing business and not engage in seriously adopting and implementing socially responsible business practices, processes or management schemes from the acquired unit to their own operations. In other words, it is unlikely that many of the socially responsible practices of the acquired social enterprise are considered to not compromising the MNC's profit-maximization objective.

This constellation confronts individualistic MNCs with a fundamental dilemma. They are facing the same societal pressures as relational MNCs to become more socially responsible. However, there is no common ground for substantially adopting socially responsible practices from the acquired unit. Paradoxically, individualistic MNCs nevertheless most likely consider it necessary for their competitiveness to be perceived as socially responsible by external audiences: In other words, they want to be perceived as socially responsible for instrumental reasons, but at the same time internal resistance prohibits them to actually adopt socially responsible practices. In response, these MNCs are likely inclined to engage in symbolic or 'ceremonial' adoption of practices, which results from a belief that a certain practice is not meaningful, valuable, or appropriate, paired with a strong pressure to adopt the practice stemming from the institutional environment (Meyer & Rowan, 1977). Ceremonial adoption refers to organizations' reactions to exogenous institutional pressures by *pretending* to adopt certain practices, which are considered as more socially acceptable (Meyer and Rowan, 1977). However, in reality appearance is kept separate, in other words decoupled, from actual and ongoing organizational practices, in particular if certain socially responsible business practices contradict with internal instrumental objectives, for instance efficiency requirements (Oliver, 1991). In the realm of CSR, evidence shows that many MNCs symbolically signal a high social responsibility by means of extensive CSR communication or public commitments, e.g. by highlighting their commitments to save resources or uphold labour standards via participation in various environmental and social initiatives (Banerjee, 2007; Laufer, 2003).

In the case of buying CSR, the social mission and responsible image (e.g. to ‘save the planet’; to support the fair trade movement, etc.) of the acquired collectivistic social enterprise may be represented overly prominent in the product portfolio of the acquiring MNC and thus unreasonably projected to the MNC’s overall image. At the same time however, unchanged and potentially harmful operational practices are maintained. For instance, the acquisition of The Body Shop by L’Oreal did not move L’Oreal towards new directions in their product lines and brands with regard to CSR (Austin & Leonard, 2008). However, while L’Oreal was ‘pitching sustainable development’ (Mirvis, 2008, p. 114) and introduced a few new philanthropic campaigns, it has not to any great extent changed its offerings, advertising, or animal testing policies. The case of L’Oreal’s acquisition of The Body Shop thus provides tentative evidence of this symbolic adoption.

Adding to these empirical observations, it has been argued that mere appearance rather than actual conformity between appearance and practice is often presumed to be sufficient for the attainment of societal acceptance (Glynn & Abzug, 1998; Oliver, 1991). In the context of CSR this has often been referred to as ‘window dressing’ or ‘greenwashing’ (Laufer, 2003; Weaver et al., 1999). Thus, given a projected socially responsible appearance holds, organizations can satisfy external societal expectations and at the same time internal demands for safeguarding efficiency (Meyer & Rowan, 1977). Moreover, several studies have argued that the implementation of (socially responsible) external appearance without corresponding internal organizational practices should be relatively inexpensive (Christmann & Taylor, 2006; Pratt & Foreman, 2000). Programs, and in particular commitments related to social and environmental responsibility that have a collectivistic nature are thus potentially common candidates for decoupling in individualistic MNCs that follow an instrumental logic of CSR (MacLean & Behnam, 2010; Weaver et al., 1999). In a more general realm, Westphal and Zajac (2001) support this argument with their finding that decoupling is more likely to occur

if organizations are inclined to avoid institutional pressures for organizational change (see also Westphal & Zajac, 1994). Our arguments are reflected in the interpretative filters as follows:

- Practices are not earnestly adopted, because they are most likely not considered meaningful. The MNC is not able to establish a win-win scenario and do not see the collectivistic socially responsible practices as an opportunity to learn from the social enterprise to improve their own CSR profile. However, the MNC understands the benefits of being perceived as socially responsible and therefore decides to engage in symbolic adoption. The ideological distance between the two organizations in terms of understanding the meaning of a practice is low. An individualistic MNC is most likely not acquainted with collectivistic practices. Thus, it would most likely not recognize the meaningfulness of new practices of the collectivistic social enterprise.
- Practices are not earnestly adopted, because they are most likely not considered valuable to reach individualistic objectives of the MNC. The acquiring MNC unlikely emphasizes the embedded value and purpose of socially responsible practices and gives substantive attention to broader societal welfare as end in itself. However, projecting collectivistic values of socially responsible practices is considered beneficial to achieve self-interested values such as maximizing profits. Therefore, the MNC would decide to engage in symbolic adoption. The ideological distance between the two organizations in terms of what is considered a good and valuable practice is high.
- Practices are not earnestly adopted, because they are most likely not considered appropriate, as the ‘collectivistic’ processes of the social enterprise that are aimed to fulfilling their collectivistic values and objectives are unsuitable in reaching the MNC’s own individualistic values and objectives. However, a collectivistic socially responsible appearance is considered an appropriate means to achieve self-interested end. Therefore,

the MNC would decide to engage in symbolic adoption. The ideological distance between the two organizations in terms of which kind of practices contributes to each organization's goals is moderate.

Restated as a proposition, it follows that:

*Proposition 4: If a MNC dominated by the individualistic identity orientation acquires a social enterprise dominated by the collectivistic identity orientation, high ideological distance and low agreement about the meaningfulness, value, and appropriateness of the social enterprise's socially responsible practices lead to symbolic adoption by the MNC.*

## **Discussion**

The arguments that we have advanced above contribute to enhancing our theoretical understanding of the implications and interplay between different organizational identity orientations on organizational practice. We have illustrated our theoretical arguments along the case of MNCs adopting socially responsible practices from an acquired social enterprise, in order to illuminate the antecedents that influence *why* organizations, and MNCs in particular, decide to adopt practices in a particular way along three critical decision-variables. Despite the potentially important impact of how intra-organizational processes that are shaped by differing identity orientations might influence particular types of adoption decisions and organizational behaviour more generally, Battilana and Dorado (2010, p. 1435) have observed that institutional research has 'mainly neglected the intra-organizational level of analysis' in order to understand why organizations may react differently to similar field-level pressures, but has instead mainly focused on 'examining what happens *between* different organizations' (see also Glynn, 2008). Notwithstanding earlier influential efforts (e.g. Greenwood & Hinings, 1996; Oliver, 1991), researchers have increasingly called for greater attention on

internal dynamics in order to develop more robust theoretical explanations why organizations in the same organizational field do not respond similarly to the same exogenous institutional pressures (Greenwood et al., 2011; Pache & Santos, 2010). At the same time and despite its high predictive capacity, the theoretical construct of organizational identity *orientation* has yet not been introduced to this stream of research. In the following, we describe the three theoretical contributions of this paper.

First, addressing the void outlined above, we sketch how organizational identity orientation works as an intra-organizational antecedent and predictor of practice adoption. In doing so, we extend our understanding why organizations in the same institutional field may interpret and thus respond differently to similar field-level pressures (Ansari et al., 2010; Greenwood et al., 2011; Kennedy & Fiss, 2009; Lounsbury, 2001). In doing so, our approach attempts to intertwine different but ‘highly complementary’ (Battilana & Dorado, 2010, p. 1436) streams of research, namely institutional theory and organizational identity orientation within the context of CSR and social enterprise (Brickson, 2007; Dacin et al., 2010). In particular, our contribution shows that organizational identity orientation provides a predictive variable to analyse phenomena subject to institutional research, i.e. the dynamics within organizations following societal pressures to become more socially responsible (Battilana et al., 2009). The model we have developed complements Basu and Palazzo’s argument that organizational identity orientation represents an important factor to understand “what firms think” (Basu & Palazzo, 2008, p. 125) about CSR and how this shapes the CSR character of an organization. As compared to the study of institutional logics (e.g. Lok, 2010) which have mostly been located at the field-level of analysis such as geography (Lounsbury, 2007), industry (Thornton & Ocasio, 1999), or the state (Scott, 2008), focusing on organizational identity orientation allows us to move more deeply into the organizational level of analysis. More specifically, we have shown that organizational identity orientation

provides a promising approach to classify how organizations build preferences and thus to predict organizational outcomes. While we have suggested that social enterprise acquisitions by MNCs offer a particularly illustrative example where differences in dominant identity orientation come about, our model is also applicable to more general contexts of practice adoption, as practices and their underlying identity orientations can be projected to other cases where one organizations adopts practices from another organization.

Second, the social dynamics of organizational identity orientation also enable us to provide a novel perspective on the antecedents that explain variation in decoupling (i.e. symbolic adoption) within the context of ‘buying’ CSR. We indirectly address the reverse case of Kostova & Roth’s (2002) study about the adoption of practices from a MNC by its subsidiaries and extend their theoretical account on the antecedents of different patterns of adoption. Our model correspondingly suggests that adoption and decoupling is not binary phenomenon, as has been assumed by much of existing research (for a critical review, see Suddaby & Greenwood, 2009). Instead, we have introduced a third scenario - selective adoption - that lies in between the polar cases of substantial and symbolic adoption. Based upon this extended perspective that has yet received only little attention in the extant literature (e.g. Ansari et al., 2010; Beck & Walgenbach, 2005), focusing on organizational identity orientation allows to explain on the one hand variation in adoption and decoupling and on the other hand to predict when and where this is more or less likely (for existing studies, see e.g. Westphal & Zajac, 2001; Zajac & Westphal, 1995). Existing studies have for instance focused on exploring the means through which decoupling is realized, for instance language (e.g. Fiss & Zajac, 2006), or have suggested that the degree of power of a particular actor in an organization, for instance the CEO, is an important determinant for decoupling (Westphal & Zajac, 2001). We extend this research by addressing the question *why* MNCs likely orient their influence to one direction (i.e. symbolic adoption) or another (i.e. substantial or selective

adoption). We suggest the actual degree of coupling or decoupling can be explained by the dominant organizational identity orientations of MNCs that decide upon adoption a practice juxtaposed with the identity orientation that is underlying the practices to be adopted. Thus, considering differences identity orientations to explain variation in the kinds of practice adoption complements research based on competing institutional logics that may reside at the field-level but also within particular groups. For instance, Lounsbury's (2001) explanation of differences in symbolic vs. substantial adoption of recycling programmes in universities that is based on technocratic and ecological logics, mirrors a scenario of organizations with an individualistic identity orientation opposed to actors with a collectivistic orientation.

Furthermore, this paper sheds light on the question why a particular type of adoption may not be stable over time and should rather be seen as a transitory phenomenon (Haack et al., 2012; Tilcsik, 2010). As the scenarios we have proposed are contingent upon the dominant identity orientation of the MNC, a once symbolically adopted practice may eventually become more substantially implemented because power relationships among internal actors in the MNC may shift, evoking a subsequent change in the dominant identity orientation (see Clark et al., 2010; Gioia et al., 2000). For instance, an individualistic MNC may have acquired a collectivistic social enterprise, which, as we have argued, most likely leads to symbolic adoption. However, a change in management in the MNC, for instance a new CEO that may emphasize 'responsible leadership' (Maak & Pless, 2006), can evoke a change in the dominant identity orientation, if for instance a CEO emphasizes relational elements of CSR and seeks to establish meaningful stakeholder relationships. Over time, actors in the organization might begin to reflect a relational identity orientation, which would eventually lead to selective adoption of practices from the collectivistic social enterprise. Also, as Haack et al. (2012) have empirically shown with the example of financial institutions and NGOs, it might happen that actors from the social enterprise act as 'Trojan horses'

(Haack et al., 2012, p. 28) that enter the MNC and influence its members to change their stance towards social responsibility, which may eventually evoke a shift in the dominant identity orientation.

Third, in building on the theoretical arguments about the influence of organizational identity orientation on adoption decisions, our model is relevant to the literature on CSR and in particular the increasing focus on the organizational implementation of CSR-related practices. While the literature has comprehensively discussed about the nature of CSR (for an overview, see Scherer & Palazzo, 2007), what it is (Aguilera et al., 2007) and why it is or should be done (Campbell, 2007; Donaldson & Preston, 1995; McWilliams & Siegel, 2001), attention is increasingly shifting towards a greater emphasis on how CSR is in fact put into organizational practice (Lindgreen et al., 2009; Wickert et al., 2012). While this study focuses on the acquisition of a social enterprise and subsequent adoption of socially responsible practices, we suggest that our model also allows better understanding differences in the adoption of other CSR-related practices. For instance, CSR-standards such as the Equator Principles (Haack et al., 2012) or the United Nations Global Compact (Rasche, 2009) are increasingly adopted by MNCs, but often face severe criticism due to their lacking substance in actual implementation of the standard's practices. Taking organizational identity orientation into account can provide an explanation why implementation efforts vary among standard-adopting organizations. In this sense, our model provides a trajectory where our description of nature of social enterprises' practices could be projected either to the nature of other CSR-related practices provided by a certain CSR-standard or to CSR-practices that exist in a certain field. Focusing on international project finance, the Equator Principles for examples provide very detailed guidelines for financial institutions how to engage with particular stakeholders that might be affected by their activities, thus reflecting a more relational nature. Evidence suggests that the way financial institutions adopt the Equator



Principles reflects what we have described as selective adoption (Haack et al., 2012). The 10 Principles of the Global Compact in contrast are more collectivistic in nature, as they urge MNCs to contribute to wider societal goals such as sustainable development and for example to “support and respect the protection of internationally proclaimed human rights” (www.unglobalcompact.org). Due to this lacking clarity, the Global Compact has been criticized of only being symbolically adopted by many MNCs (Runhaar & Lafferty, 2009).

As much as adoption or decoupling, the phenomenon of CSR has also often been treated from a binary perspective. Existing studies help us to explain why firms *do* or *do not* engage in CSR in the first place (e.g. Campbell, 2007) or describe how CSR implementation may unfold along stages (e.g. Baumann et al., 2011), differences that explain what lead to behavioural outcomes such as substantial, selective or only symbolic implementation of practices remain theoretically underexplored. Authors have in this realm admitted that no or little attention has been given to explaining *why* there may be inconsistent ‘degrees of CSR seriousness’ (Aguilera et al., 2007, p. 855). Our model addresses this problem and in doing so offers a perspective to explain different patterns of CSR. More specifically, we join emerging efforts that examine potentially significant but yet underemphasized antecedents that might *lead to* different forms of engagement in CSR, rather than looking at the *consequences* of CSR (e.g. Basu & Palazzo, 2008).

### **Limitations and Implications for Future Research**

This paper provides a theoretical account of identity orientation and its implications on practice adoption. Our argumentation is based on empirical evidence to support assumptions and the conceptual claims we made. Thus, our paper’s main weakness may lie in its limited empirical support. However, we consider our model as an opportunity to stimulate and enable exactly that empirical work which we deem necessary to gather systematic evidence for our

theoretical framework. Notably, and in our effort to construct a conceptual model with the necessary parsimony, we wished to illustrate idealized adoption scenarios, and therefore assumed that organizations have one dominant identity orientation. Addressing this limitation, we acknowledge the existence of hybrid organizational identity orientations that may for instance be better characterized by a mix of two or more of the three basic orientations (Battilana & Dorado, 2010; Brickson, 2005). The four ideal type adoption scenarios we proposed need to be extended in that the boundaries between the different scenarios are not always precisely delineated. Thus, there may be specific adoption scenarios in the case of hybrid identity orientations (e.g. an individualistic-relational MNC acquires a relational-collectivistic social enterprise) that fall ‘in between’ the pure scenarios, or can be described as a gradual adoption that develops from one scenario (e.g. selective) towards another (e.g. substantial). Nevertheless, and because of our interest in classifying ideal type adoption scenarios based on ‘pure’ ideal type identity orientations, we want to examine those conditions where one dominant identity orientation in both the acquiring and the acquired organization is highly salient and thus evoking the most discernible effects (Brickson, 2005). Moreover, not necessarily all members of an organization might hold the same orientation. In particular large organizations tend to be subject to internal struggles over which orientation dominates (Albert & Whetten, 1985; Brickson, 2005; Pratt & Foreman, 2000). In the context of CSR, this may for instance apply to the orientation of members of the CSR-department, and that of members of other functional units (see Haack et al., 2012). While these individual-level processes are important, they lie beyond the scope of our research objective. Empirical work will need to determine whether the present arguments and distinctions hold. In this sense, it should be investigated whether complete non-adoption represents an alternative for MNCs that have acquired a social enterprise. In our argumentation, we excluded this option, as it did not seem likely to occur.

Addressing these limitations, we suggest future empirical research should consider both hybrid organizational identity orientations and intra-organizational conflicts over which orientation dominates as a starting point. Thus, we deem it interesting to focus attention on the empirical study of the social dynamics of identity orientations in the adoption scenarios we have outlined. Qualitative studies, e.g. participant observations and ethnographies can provide an in-depth description and interpretation in particular on the processes of power relations between actors in the MNCs and in the social enterprise (e.g. Zilber, 2002; Suddaby & Greenwood, 2009). Furthermore, we deem it interesting to discover which of the four scenarios we have proposed is most commonly occurring in practice and best reflects the dominant empirical reality.

### **Conclusion**

Acquisitions of social enterprises are one feasible and cost-effective way for MNCs to integrate CSR into their organization. However, evidence suggests that the comprehensiveness with which MNCs have actually adopted CSR-related practice differs significantly (Austin & Leonard, 2008; Mirvis, 2008). In this paper, we have sought to provide a theoretical explanation for these differences. The conceptual framework developed in this paper suggests that a particular adoption pattern of socially responsible business practices is a function of a specific interplay between the dominant organizational identity orientations of the acquiring MNC and the acquired social enterprise, moderated by interpretive filters and the way an MNC perceives the socially responsible practices as meaningful, valuable and appropriate. We have proposed that MNCs can be either individualistic or relational, and social enterprises can be either relational or collectivistic, in order to explain why a combination of these prevailing orientations likely leads to substantial, selective, and symbolic adoption, respectively. Overall, we have attempted to join efforts that

seek to develop more integrative conceptual approaches to the study of intra-organizational dynamics that focus on interconnections between institutional context and variation in organizational behaviours and practices.

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